

27 July 1953

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting held in  
Room 2125, Temporary "M" Building  
26th and Constitution Avenue, N. W.

23 July 1953

PRESENT

25X1A9a Dr. Otto E. Guthe, CIA, Chairman  
[REDACTED], CIA Vice Chairman  
Mr. Edward Doherty, State  
Mr. Howard Weidemann, State  
Mr. J. Duncan Holmes, Army  
Ord. Ira M. King, Navy  
Col. George C. McCord, Air Force  
Mr. John Easton, JCS  
25X1A9a Dr. Norris G. Kenny, Defense  
[REDACTED], CIA  
Dr. Louis Michael, Agriculture Subcommittee Chairman  
Mr. T. M. Vensibles, Agriculture Subcommittee Secretary  
Mr. Baxter Wood, Petroleum Subcommittee Chairman  
Mr. James Chandler, Requirements Subcommittee Secretary  
25X1A9a Mr. Earle Cox, Transportation Subcommittee Chairman  
[REDACTED], Chemicals Subcommittee Chairman  
25X1A9a [REDACTED] Chemicals Subcommittee Secretary  
25X1A9a Mr. Alfred Reifman, International Trade & Finance Subcommittee Chairman  
[REDACTED], International Trade & Finance Subcommittee Secretary  
Mr. Kurt Braun, Population and Manpower Subcommittee Secretary  
25X1A9a [REDACTED] General Economic Analysis Subcommittee  
[REDACTED], General Economic Analysis Subcommittee Secretary  
Mr. Edmund Brunner, Armaments Subcommittee Chairman  
Col. Charles McKnight, Armaments Subcommittee Secretary  
Mr. L.E. Parphilon, Electronics & Telecommunications Subcommittee Chairman  
Mr. John Cayer, Electronics & Telecommunications Subcommittee Secretary

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 16 July 1953, (EIC-4-28) were approved.

EIC-ONE MINUTED

2. Discussion: The EIC representatives met with representatives of the Office of National Estimates (ONE) on 22 July 1953 to discuss the terms

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of reference for a proposed national intelligence estimate on "Capabilities of the Soviet Bloc for Economic Warfare." Dr. Guthe stated that the meeting was extremely profitable in that it gave the EIC an opportunity to make comments regarding the form and scope of the project and the extent to which economic research could make a useful contribution. As a result of this meeting, ONE agreed to recommend that the estimate cover three major subjects: (a) review of current Soviet policies and tactics; (b) impact on Western Europe of certain assumed Soviet actions; and (c) impact on the Soviet economy of these assumed actions.

#### REPORT ON IAC ACTION ON EIC-R-2

3. Action: It was noted that the IAC in its meeting on 14 July (IAC-M-113) had requested that the EIC prepare the terms of reference for the project requested by the JIC on "Soviet Bloc Economic Capabilities for Warfare." The EIC members agreed to establish a working group which will draft these terms of reference and submit them to the main committee of the EIC for review. The EIC will then submit this outline to the JIC for informal review and comment. Dr. Guthe asked that nominations for agency representation and for the chairmanship of the working group be sent to the EIC Secretariat by 31 July. [REDACTED] was nominated by CIA as 25X1A9a a candidate for chairman of this group.

#### NEW SUBCOMMITTEES

4. Action: Members agreed to set up three new subcommittees: (a) Electric Power and Solid Fuels; (b) Industrial Machinery and Equipment; and (c) Minerals and Metals. Nominations for agency representation and for the three chairmanships are to be sent to the EIC Secretariat by 31 July. It was emphasized that representation should be confined to those agencies with competence in the field or a major interest in the subject. It was the sense of the meeting that the utility of these new subcommittees, as well as of those subcommittees already in existence, should be critically reviewed by the EIC in January 1954.

#### REVIEW OF SUBCOMMITTEE PROGRAMS

5. Action: There was general agreement among the Subcommittee representatives that the Priority Program for Subcommittees, agreed on by the EIC at its previous meeting, was acceptable as a guide for the next six months' program. Some representatives, however, felt that this was solely of procedural value and gave no substantive guidance. The EIC members agreed that the main committee should give more substantive guidance and in the coming year should concern itself more with economic research problems of major national security interests and less with problems of procedure. In this connection, two specific suggestions were made: (a) that each subcommittee review the statistics of major importance in its particular field and report to the EIC on the principle deficiencies of these statistics; and (b) that on projects of major national security importance,

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reviewed by the Subcommittee during the next six months, the Subcommittee be required to submit their comments as to the adequacy and probable accuracy of the data.

6. Discussion: Representatives were present from all EIC Subcommittees and there were very useful discussions of the various Subcommittee annual reports. The EIC members gave their views as to ways in which the Subcommittee operations might be improved.

APPROVAL OF NEW MEMBERS

7. Action: The EIC Secretariat had distributed a list of proposed new Subcommittee members. It was requested that any objections to these nominations be submitted to the Secretariat prior to 31 July 1953. If no objections are received by that date, concurrence will be assumed.

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Vice Chairman  
Economic Intelligence Committee

Attachment

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